

Item 4. Governance issues arising from organisational changes

1. Summary

This paper is intended to prompt discussion at the Board about the implications for governance of the AONB of the possible move to a unitary local authority in Shropshire, and of the creation of Natural England.

2. Background

- 2.1. The creation in October 2006 of Natural England brings together three key partner organisations within the AONB Partnership. Natural England is currently determining how it is represented within AONB structures, and though it may not be able to achieve all its contact with the AONB through one person, it is likely that the number of seats on the Partnership will reduce. The Memorandum of Agreement concerning funding of the AONB Partnership was due for renewal within this current Financial Year, but Natural England are not currently renewing Memoranda, pending a more thorough review of their policy regarding AONBs.
- 2.2. The local government white paper of October 2006 includes an opportunity for areas with two-tier authorities to bid for unitary status, and currently Shropshire County Council and some of Shropshire's Districts are supporting a formal bid for unitary status to be made in January 2007.
- 2.3. These factors in combination (if unitary status were to go ahead) would represent a very significant change in the balance of key organisations in the AONB Partnership, raising issues for the AONB's governance. The CROW Act statutory duties regarding AONBs will not be affected by either the creation of Natural England or reorganisation of local government. Detailed policy on how these duties are fulfilled is of course likely to change.
- 2.4. Under the unitary scenario, 99.4% of the AONB by area (and 99.94% of its population) would lie within a unitary Shropshire, with the remainder still in the unitary Borough of Telford & Wrekin. Though a tiny proportion, this part is of course the Wrekin itself, and is highly prominent and significant. The CROW Act requirement for local authorities to 'act jointly' in preparing a Management Plan will still apply. The status of the AONB Partnership as a joint advisory committee need not therefore be affected, though the number of authorities is reduced from two to five and with a very uneven division. It seems likely that the Partnership's governance structure would have to allow seats for several council members from a unitary Shropshire Council.
- 2.5. Under the current funding formula, the Borough of Telford & Wrekin would continue to contribute 0.7% of the AONB's core costs (£1,481 this year), with a unitary Shropshire contributing 20.8% (£44,821 this year). One effect of this may be to make the local authority contribution more vulnerable in the event of financial pressure. It is also of note that the Countryside Agency's funding formula for AONB core funding includes a factor for the number of local authorities. Natural England is likely to be reviewing the funding formula, and since uptake of unitary status affecting AONBs is not likely to be widespread nationally, this issue has been highlighted to Natural England's national team, in the hope that the Shropshire Hills AONB is not disadvantaged.
- 2.6. The unitary scenario would also change the nature of the host authority relationship to the AONB. Currently the financial contributions of the other authorities are jointly greater than the County Council's, and there is a need for the AONB Team to balance liaison and involvement across all the authorities. While a unitary situation would reduce some of the work required in this, in bringing nearly all of it into one

organisation, there is perhaps some risk of eroding the semi-independence which the AONB Partnership enjoys. There is some evidence of this in a few other AONBs which fall within a unitary authority.

- 2.7. A governance review for the AONB should probably be timed to take effect on the commencement of a unitary council, but the extent of the review will require a decision. The Terms of Reference are certainly in need of updating in a number of areas, but there may also be merit in considering the pros and cons of an alternative governance model, in which a smaller group (akin to the current Management Board) became the formal Joint Advisory Committee, and a larger group became a more informal Forum. A further area for consideration is what measures may be useful in the short term to protect the interests of the AONB Partnership during any forthcoming period of transition

3. RECOMMENDATION:

The Management Board is requested to comment on the issues raised, and consider next steps to take.

This paper has been prepared by Phil Holden, AONB Manager. For further details contact 01588 674088 or phil.holden@shropshire-cc.gov.uk.